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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548**

FILE: B-211992

DATE: April 11, 1984

MATTER OF: Amperif Corporation

DIGEST:

1. GAO finds a rational basis for the exclusion of the protester from competitive range in subcontract procurement because protester did not explain, as required, how its system functioned, but, instead, "parroted" specifications and provided blanket assurance that the protester's system would meet or exceed the minimum specification requirements.
2. Where prime government contract requires total operation of facility, involving more than automatic data processing services or items, contractor is not required under FPR § 1-4.1101(b)(2) to obtain Delegation of Procurement Authority from General Services Administration.
3. Amendment need not be issued to offeror no longer in competitive range where change contained in amendment is not directly related to reasons for excluding offeror from competitive range.

Amperif Corporation (Amperif) protests the award of a contract by System Development Corporation (SDC) to Sperry Univac (Univac) under request for proposals (RFP) No. 82-19 for the delivery and integration of a solid state, high-speed storage system at the National Aeronautics and Space Administration's (NASA), Slidell Computer Complex. The system was to replace Univac FH-1782/432 drum storage subsystems installed in 1970/1971 which have become mechanically fatigued and no longer support SDC's Univac 1100/82 system. SDC is a mission cost-reimbursement services contractor hired by NASA to operate and maintain the Slidell Computer Complex. Amperif protests: (1) that it should not have been excluded from the competitive range; (2) SDC's acceptance of Univac's proposal effected a material change

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in the solicitation and (3) neither NASA nor SDC obtained a Delegation of Procurement Authority (DPA) from the General Services Administration (GSA) prior to issuing the RFP and contracting with Univac. The protest is denied.

The solicitation specifications required a solid state subsystem capable of high-speed storage of 12 million words and consisting of two cache/disc processors, power supplies and failure recovery capability. The solicitation indicated that award would be made to that offeror whose acceptable proposal was determined to represent the lowest overall cost to the government, price and other factors considered, for the system's life. The solicitation advised that unnecessarily elaborate brochures or other representations would not be desired and may be construed as an indication of the offeror's lack of cost consciousness.

With regard to the preparation of proposals, the solicitation required:

- "a. Detailed information identifying individual items of equipment required to make up the subsystem.
- "b. Detailed discussion, by corresponding paragraph, of the offeror's plans for satisfying or (taking) exception to the requirements set forth in Appendix A, Technical Specifications. If exceptions are taken, note reasons for exceptions and present an alternative solution.
- "c. Offeror's schedule for accomplishing delivery and installation of equipment."

Initial proposals were submitted by Univac, Centennial Corporation (Centennial) and Amperif on January 17, 1983. The proposals were evaluated and a survey of their equipment in operation was conducted. The offerors received the following technical scores:

Univac	91.2 percent
Centennial	77.0 percent
Amperif	50.3 percent

Only Univac's proposal was considered acceptable. SDC explains that Amperif's proposal was unacceptable because it was so deficient and lacking in technical information that

improvement would have required virtually an entirely new proposal. SDC indicates that it could not evaluate Amperif's proposal because Amperif's "discussions" of how it would meet 11 of 21 requirements consisted of nothing more than the following statement: "Amperif's solid state storage system meets or exceeds all of the above requirements." Centennial's proposal scored low because its equipment was not available for demonstration.

Amperif protests that it should have been included in the competitive range because its proposal took no exceptions to the technical requirements. Amperif contends that it should not have been excluded for informational deficiencies because the solicitation cautioned offerors against submitting elaborate proposals.

We do not independently determine the relative merits of subcontract proposals, since their evaluation is the function of the prime contractor. We therefore will not question SDC's determination regarding whether an initial proposal is in the competitive range unless the protester shows SDC's judgment lacked a reasonable basis or otherwise violated section 1.2.2 of its NASA contract to:

"Procure all supplies, services, materials and facilities in accordance with sound procurement practices and applicable contract provisions, regulations and statutes necessary to accomplish contract requirements."

See Centennial Computer Products, Inc., B-200605, June 24, 1981, 81-1 CPD 526.

A proposal properly may be excluded from the competitive range for deficiencies which are so material that major additions and revisions would be required to make the offer acceptable; there is no requirement that an agency permit an offeror to revise an initial proposal when such a revision would be tantamount to the submission of a new proposal. MacGregor Athletic Products, B-211452, September 23, 1983, 83-2 CPD 366. Where a solicitation includes specific instructions to address the solicitation's mandatory and desirable requirements, offerors are put on notice that they risk rejection if they fail to do so. Informatics, Inc., B-194926, July 2, 1980, 80-2 CPD 8. Applying these principles, we believe SDC's decision to exclude Amperif from the competitive range was reasonable.

The specification contained minimum performance and capability requirements, such as: a single storage unit was required to provide a minimum of 3 million 30-bit words; the total subsystem was required to include 12 million 36-bit words and provide modular expansion to a minimum capability of 13 million 36-bit words; the storage access time was required to have an access time of 1.5 microseconds or less. The specifications also contained more general requirements, such as: the offered system must be compatible with SDC's Univac 1100 series software and system; the system must be able to perform all of the operational requirements of the Univac FH-1782/432 drum storage subsystems to be replaced; and the failure of any single component in the subsystem must not have any affect on the performance of the remaining subsystem components.

Although the solicitation cautioned against overly elaborate proposals, this did not excuse offerors from discussing their proposals in detail. See Informatics, Inc., supra. As noted above, Amperif's corresponding discussion of how it would satisfy those specifications which we have cited, and others, was either the statement, quoted above, that Amperif would meet or exceed the specifications, or a statement that "parroted back" the specification language. Amperif's responses failed to provide SDC with sufficient information with which SDC could evaluate Amperif's proposal. For example, SDC had no way of knowing how the components of Amperif's subsystem connected or functioned as an integrated system with SDC's main system. (No configuration schematics explaining this relationship was provided.)

We conclude that Amperif's failure to explain how its system would meet the specification requirements provided SDC with a reasonable basis to downgrade Amperif's proposal and to conclude that the proposal could not be made acceptable except through major revisions tantamount to a new proposal. Coherent Laser Systems, Inc., B-204701, June 2, 1982, 82-1 CPD 517; Decilog, B-198614, September 3, 1980, 80-2 CPD 169.

Amperif next argues that neither NASA nor SDC obtained a DPA from GSA prior to issuing the RFP and, therefore, were without authority to purchase the equipment. Amperif states that government prime contractors are required to follow the procedures contained in part 1-4.1100 of the Federal Procurement Regulations (FPR) (1964 ed., amend. 220), including obtaining a DPA, when the government pays the full lease costs of the equipment under a cost-reimbursement contract, as here. (FPR § 1-4.1101(b)(1)(iii)).

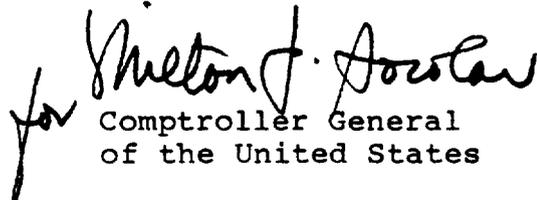
NASA argues that FPR § 1-4.1101(b)(1) does not apply to SDC, but that § 1-4.1101(b)(2) is applicable, and it excludes prime contractors from the above requirements when the prime contract is for something other than the procurement of automatic data processing (ADP) items or services. NASA states that SDC's contract is for more than just ADP services and requires the total operation and maintenance of the complex including repairs and alterations, guard services, food services, plant operations, refuse collection and operation of a supply system.

We agree with NASA that under this regulation, neither SDC nor NASA had to obtain a DPA and this basis of protest is denied.

Finally, Amperif argues that Univac's cost proposal violated the terms of the RFP by offering the base system and the optional system in the aggregate and, therefore, deprived the government of the right to not award the option at the time of the basic award. Amperif contends the RFP should have been amended, advising all offerors that this was permissible.

We do not find it necessary to resolve this aspect of the protest because, even if Amperif is correct that Univac's cost proposal was at odds with the RFP, Amperif and Centennial would not have been entitled to receive the amendment. An agency is not required to issue amendments to offerors no longer in the competitive range, notwithstanding changes negotiated with the successful offeror, so long as the changes are not directly related to the reason for the excluded offeror's rejection. Westinghouse Electric Corporation, B-197768, June 3, 1980, 80-1 CPD 378. Here, Amperif was excluded from the competitive range on the basis of its technical proposal and, therefore, would not be entitled to an amendment dealing with cost proposals.

The protest is denied.

for 
Comptroller General
of the United States